



13 February 2020

Australian Securities and Investments Commission  
Mr Nathan Bourne  
Senior Executive Leader, Market Infrastructure  
Level 5, 100 Market Street  
SYDNEY NSW 2000

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

### ASX LIMITED – 2020 HALF-YEAR RESULTS PRESENTATION

Attached is a copy of the 2020 Half-Year Financial Results presentation.

**Daniel Csillag**  
Company Secretary

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#### Further enquiries:

##### Media

Matthew Gibbs  
General Manager, Media and Communications  
T +61 2 9227 0218  
M 0411 121 219  
E [matthew.gibbs@asx.com.au](mailto:matthew.gibbs@asx.com.au)

##### Analysts/Investor Relations

Josie Ashton  
Head of Investor Relations  
T +61 2 9227 0646  
M 0416 205 234  
E [josie.ashton@asx.com.au](mailto:josie.ashton@asx.com.au)

20 Bridge Street  
Sydney NSW 2000

PO Box H224  
Australia Square NSW 1215

Customer service 13 12 79  
[asx.com.au](http://asx.com.au)



# 2020 ASX Limited Half-Year Results

Presentation

13 February 2020



# Agenda

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1H20 overview

Dominic Stevens – CEO

Strategic update

Dominic Stevens

Financial performance

Gillian Larkins – CFO

Summary and outlook

Dominic Stevens

Q&A – analysts followed by media

Dominic Stevens and Gillian Larkins

# ASX 1H20 highlights

Delivering on reliable earnings track record and making strategic progress

## Diversified business generating sustained growth in shareholder returns

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- EBIT up 6.0% driven by strong trading volumes and increased demand for connectivity, cabinets and data
- Net interest and dividend income down due to lower RBA rates and final IRESS dividend in 1H19

## Enhancing the integrity of the market

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- ASX's risk culture strengthened through further embedding of values, processes, systems and risk-aware culture
- Listing rules and guidance updated to support market disclosure, ease of use and compliance

## Ongoing investment in customer focused, technology driven outcomes

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- Technology infrastructure upgrade continues, strengthening resilience and enhancing customer experience
- CHES replacement industry-wide test environment on schedule to open in July

## Pursuing opportunities to offer new products and efficiencies across the Australian financial services industry

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- Supporting customer and 3<sup>rd</sup> party development that leverages ASX DLT infrastructure
- Progressing adjacencies leveraging ASX's expertise and technology infrastructure via DataSphere and Symplici

# ASX 1H20 financial results

## Solid operational earnings growth

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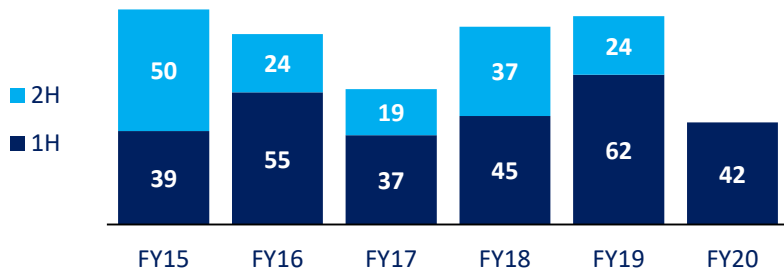
	1H20	Change on pcp	% change on pcp	
<b>Operating revenue</b>	\$454.9m	+\$30.2m	+7.1%	<ul style="list-style-type: none"><li>• Reflecting broad growth across ASX</li></ul>
<b>Total expenses</b>	\$139.8m	(\$12.5m)	(9.8%)	<ul style="list-style-type: none"><li>• Heightened in 1H20 due to annualisation of increased head count in FY19</li><li>• FY20 expense guidance 6-8%</li></ul>
<b>EBIT</b>	\$315.1m	+\$17.7m	+6.0%	<ul style="list-style-type: none"><li>• Continued solid growth while building stronger foundations</li></ul>
<b>Interest income</b>	\$44.1m	(\$10.8m)	(19.7%)	<ul style="list-style-type: none"><li>• Reflects lower interest rate environment and final IRESS dividend in 1H19</li></ul>
<b>Net profit after tax</b>	\$250.4m	+\$4.3m	+1.8%	<ul style="list-style-type: none"><li>• Diversified business continues to deliver growth</li></ul>
<b>Earnings per share</b>	129.3cps	+2.2cps	+1.7%	<ul style="list-style-type: none"><li>• Remaining positive post return of capital and lower interest earnings</li></ul>
<b>Dividends per share</b>	116.4cps	+2.0cps	+1.7%	<ul style="list-style-type: none"><li>• Seventh consecutive first-half increase in DPS</li></ul>

# ASX activity drivers

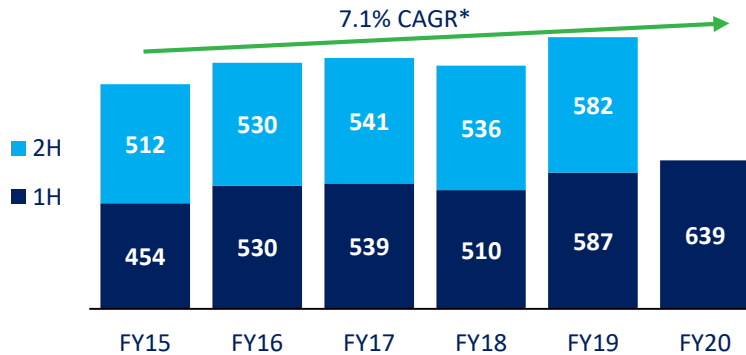
Strong equity and futures trading and growth in Austraclear deposits

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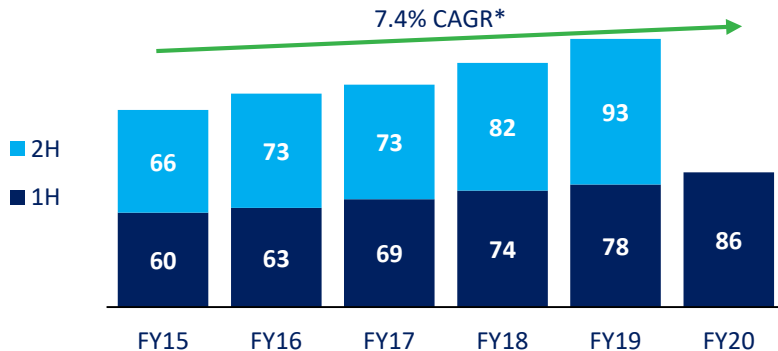
**Total capital raised (\$billion)**



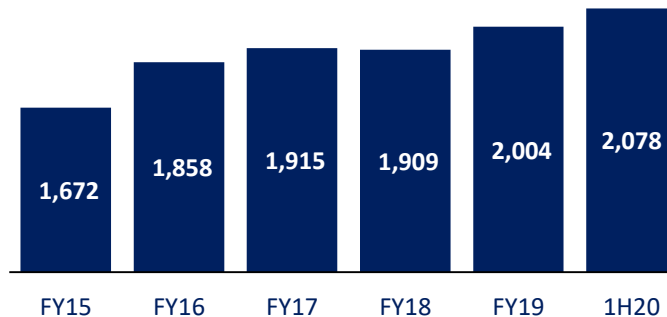
**Cash market trading – ASX value on-market (\$billion)**



**Futures – contracts (million)**



**Austraclear securities holdings – average balance (\$billion)**



# ASX revenue up 7.1%

Driven by market activity and flow-on benefits from customer focused initiatives

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1H20 key revenue drivers	Revenue growth supported by
Equity trading value up 8.9%	<ul style="list-style-type: none"><li>• Global team supported by ASX's high-performance platform driving customer acquisition</li><li>• Attracting market share through a diverse range of execution services</li></ul>
Futures volumes up 9.9%	<ul style="list-style-type: none"><li>• Integrated execution, data and technology offering making business easier for customers</li><li>• OTC Clearing service offering efficiencies to customers via cross-margining with futures</li></ul>
Information services data and index revenue up 13.5%	<ul style="list-style-type: none"><li>• Recent customer initiatives focused on BBSW benchmark and machine readable data</li><li>• Working with S&amp;P to create indices to meet customer needs (e.g. the new S&amp;P/ASX tech index)</li></ul>
Technical services connectivity revenues up 8.1%	<ul style="list-style-type: none"><li>• ALC is offering customers reduced total cost of ownership and ease of connectivity</li><li>• New and existing customers ordering new cabinets, services and cross-connections</li></ul>

Dominic Stevens – CEO

Strategic update



# Building an exchange for the future

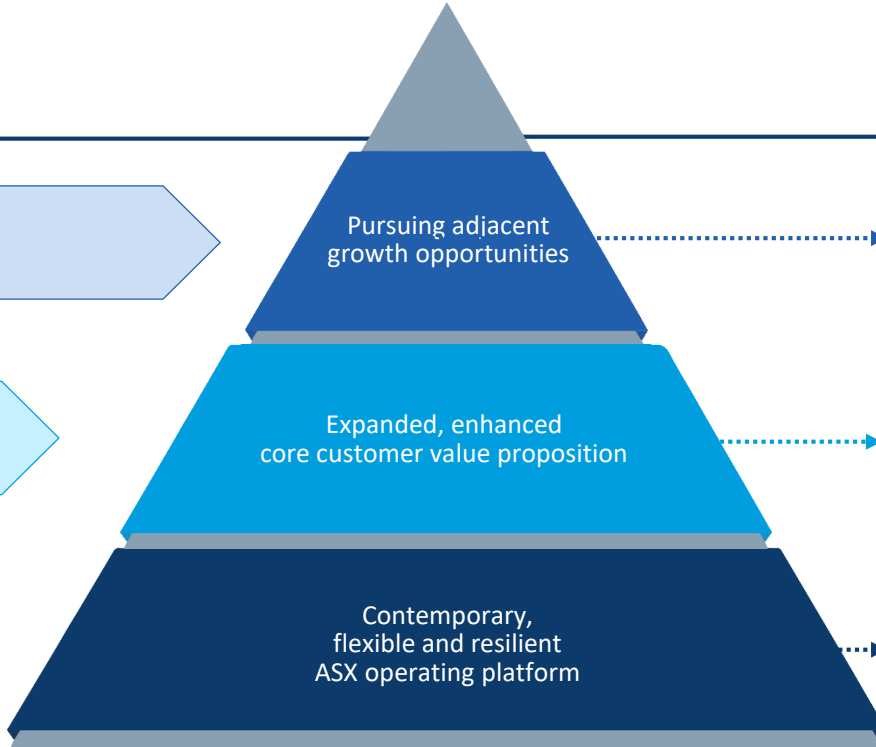
Strong momentum in our customer focused, technology driven strategy



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## Technology driven

## Customer focused



*New opportunities to create products and services, and reduce risks and costs*

*Product enhancements, operational efficiencies and easier ways to do business*

*Confidence in the reliability and integrity of transacting via ASX*

# Contemporary, flexible and resilient operating platform

## Strengthening stakeholder confidence in ASX



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	Risk management and governance	Technology driven	Customer focused
Completing FY20	<b>Building Stronger Foundations</b> Technology risk and governance	<ul style="list-style-type: none"> <li>&gt; New IT service management tool to support service, change, asset, knowledge and incident management</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Faster resolution and reduced impact of operational incidents</li> <li>&gt; Improved visibility of operational risks</li> </ul>
	<b>Building Stronger Foundations</b> Operational risk and governance	<ul style="list-style-type: none"> <li>&gt; New risk and compliance tool to improve data control and facilitate centralisation of technology operating risk</li> <li>&gt; New real-time risk systems</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Faster ability to adapt to risks</li> <li>&gt; Improved ability and time to assess issues</li> <li>&gt; Shortened response times</li> </ul>
	<b>Enhanced listing rules</b>	<ul style="list-style-type: none"> <li>&gt; Facilitate STP project</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Easier to understand and comply with</li> </ul>
Ongoing	<b>Corporate actions straight-through processing</b>	<ul style="list-style-type: none"> <li>&gt; New STP capability for notification of corporate actions and issuance</li> </ul>	<ul style="list-style-type: none"> <li>&gt; ASX will offer a comprehensive range of digitised, ISO20022-based corporate actions for more timely data and STP efficiencies</li> </ul>
	<b>Risk and compliance awareness</b>	<ul style="list-style-type: none"> <li>&gt; New, mobile-friendly e-training for employees</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Maintain trust and confidence in the market</li> </ul>

# Contemporary, flexible and resilient operating platform

Strengthening stakeholder confidence in ASX



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	Technology infrastructure	Technology driven	Customer focused
Completing FY20	ASX Net upgrade	<ul style="list-style-type: none"> <li>&gt; <b>External connectivity network:</b> implementation of fully consolidated network enabling more efficient connectivity services</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Standardised, consolidated and faster communication</li> </ul>
	New secondary data centre	<ul style="list-style-type: none"> <li>&gt; <b>Back-up facility:</b> move to Tier 3 data centre facility and infrastructure refresh</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Greater resilience and backup capability for the markets</li> </ul>
Ongoing	ASX Trade refresh	<ul style="list-style-type: none"> <li>&gt; <b>Trading platform technology:</b> contemporary software and hardware refresh</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Continued high levels of availability</li> <li>&gt; Enhanced ability to implement change</li> </ul>
	Equities infrastructure upgrade	<ul style="list-style-type: none"> <li>&gt; <b>Technology supporting equities trading:</b> refresh of integration hardware and software</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Greater resilience, strengthened reliability</li> <li>&gt; Faster delivery of new services</li> </ul>
	CHESS replacement	<ul style="list-style-type: none"> <li>&gt; <b>Equities clearing and settlement:</b> new modern hardware, contemporary software and upgraded security</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Upgraded data security and greater resilience</li> <li>&gt; Additional functionality and improved flexibility</li> </ul>
	Cyber resilience	<ul style="list-style-type: none"> <li>&gt; <b>Data and infrastructure security:</b> invest in security capability and capacity</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Upgraded data security, greater resilience</li> </ul>

# Expanded, enhanced core customer value proposition

Making business easier by providing solutions to customer challenges



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	New and enhanced products and services	Technology driven	Customer focused
Completing FY20	<b>Digital refresh</b>	<ul style="list-style-type: none"><li>&gt; Contemporary, flexible, single sign-on ASX website</li></ul>	<ul style="list-style-type: none"><li>&gt; Enhanced user experience, refreshed design, added functionality, mobile friendly</li></ul>
Ongoing	<b>Issuer services</b>	<ul style="list-style-type: none"><li>&gt; New online portal for listed companies</li></ul>	<ul style="list-style-type: none"><li>&gt; Enhanced user experience, refreshed design, added functionality</li><li>&gt; Improved convenience for investors and reduced costs for issuers</li></ul>
Completing FY20	<b>BBSW and ASX Realised AONIA*</b>	<ul style="list-style-type: none"><li>&gt; Enabled electronic bank bill trading and trade-based rate setting via refresh of benchmark methodology and rules</li></ul>	<ul style="list-style-type: none"><li>&gt; Increased robustness and trust in BBSW calculation</li><li>&gt; Investors avoid switching costs for existing deals</li><li>&gt; Choice of alternative rate for new deals via Realised AONIA</li></ul>
	<b>S&amp;P/ASX All Technology Index</b>	<ul style="list-style-type: none"><li>&gt; Index capturing fast growing technology sector</li></ul>	<ul style="list-style-type: none"><li>&gt; Developed in response to customer requests</li></ul>

# Pursuing adjacent growth opportunities

## Leveraging ASX's expertise, independence and infrastructure



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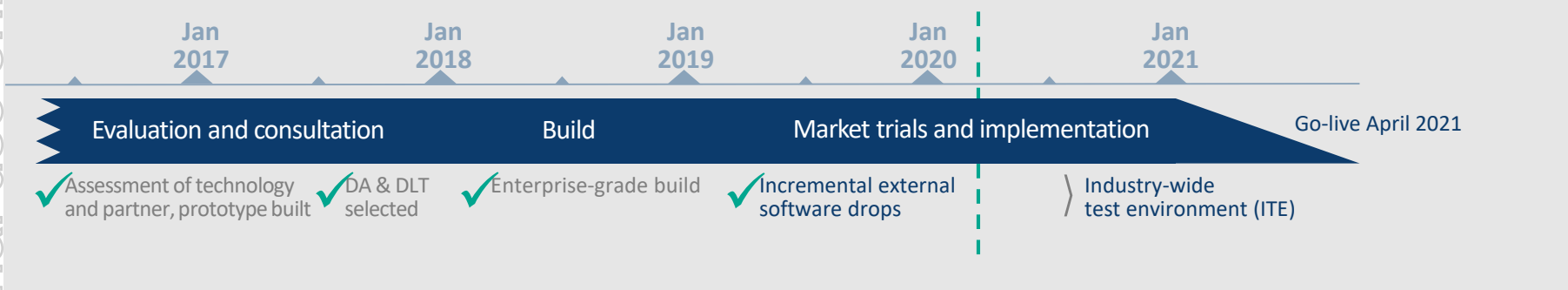
Opportunities	Technology driven	Customer focused	Progress
<b>DLT Solutions</b>	<ul style="list-style-type: none"> <li>&gt; DAML smart contracts and DLT infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Risk and operational cost benefits from access to source-of-truth data</li> <li>&gt; Opportunities open to develop innovative new products and services</li> </ul>	<ul style="list-style-type: none"> <li>&gt; DAML software development kit available</li> <li>&gt; Launching DAML partners program</li> <li>&gt; Digital Asset offering DAML training</li> </ul>
<b>DataSphere</b>	<ul style="list-style-type: none"> <li>&gt; Open data science platform supporting analytics and machine learning</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Use ASX and third party data to solve problems</li> <li>&gt; Enable customers to commercialise their data and analytics</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Platform operational</li> <li>&gt; Web store open</li> <li>&gt; First data products available</li> </ul>
<b>Sympli</b>	<ul style="list-style-type: none"> <li>&gt; ASX's payments infrastructure with InfoTrack's conveyancing expertise on a modern technology platform</li> </ul>	<ul style="list-style-type: none"> <li>&gt; More efficient and intuitive services</li> <li>&gt; Cost competitive</li> <li>&gt; Provides industry resilience and choice</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Connected/connecting with two of the major retail banks</li> <li>&gt; First financial conveyance completed</li> </ul>

# CHES replacement delivering upgraded security, resilience, performance

Project on schedule for industry-wide test environment to open in July 2020

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## Project delivering to multi-year milestones



## Working together preparing for transition

CHES has served the industry well and now needs to be replaced for the next generation

Continuing to engage with stakeholders in preparation for operational readiness

ITE opens in July with formal readiness activities to commence later in the year

Working with CHES users on the transition and listening to feedback

Gillian Larkins - CFO

1H20 ASX financial performance

# ASX financial results

Growth in trading and business activity delivering a consistent return to shareholders

	1H20 \$m	2H19 \$m	1H19 \$m	1H20 v 1H19
<b>Operating revenue</b>	<b>454.9</b>	<b>439.1</b>	<b>424.7</b>	<b>7.1%</b>
Operating expenses	114.4	109.6	105.2	(8.7%)
EBITDA	340.5	329.5	319.5	6.6%
Depreciation and amortisation	25.4	25.7	22.1	(15.1%)
<b>Total expenses</b>	<b>139.8</b>	<b>135.3</b>	<b>127.3</b>	<b>(9.8%)</b>
<b>EBIT</b>	<b>315.1</b>	<b>303.8</b>	<b>297.4</b>	<b>6.0%</b>
Interest and dividend income	44.1	49.0	54.9	(19.7%)
<b>Profit after tax</b>	<b>250.4</b>	<b>245.9</b>	<b>246.1</b>	<b>1.8%</b>
EBITDA margin	74.9%	75.0%	75.2%	(30bps)
<b>EBIT margin</b>	<b>69.3%</b>	<b>69.2%</b>	<b>70.0%</b>	<b>(70bps)</b>
Statutory earnings per share (EPS) (cents)	129.3	127.0	127.1	1.7%
Dividends per share (DPS) (cents)	116.4	114.3	114.4	1.7%
Special dividends per share (cents)	-	129.1	-	-

- Operating revenue up 7.1% reflecting solid growth in customer activity
- Total expenses up 9.8% due to annualisation of additional resources during FY19
- Full-year total expense guidance remains 6-8%
- Resulting in strong growth in EBIT, up 6.0%
- Interest and dividend income down 19.7% with sale of IRESS, lower investment returns and inclusion of lease financing costs
- Profit after tax up 1.8%



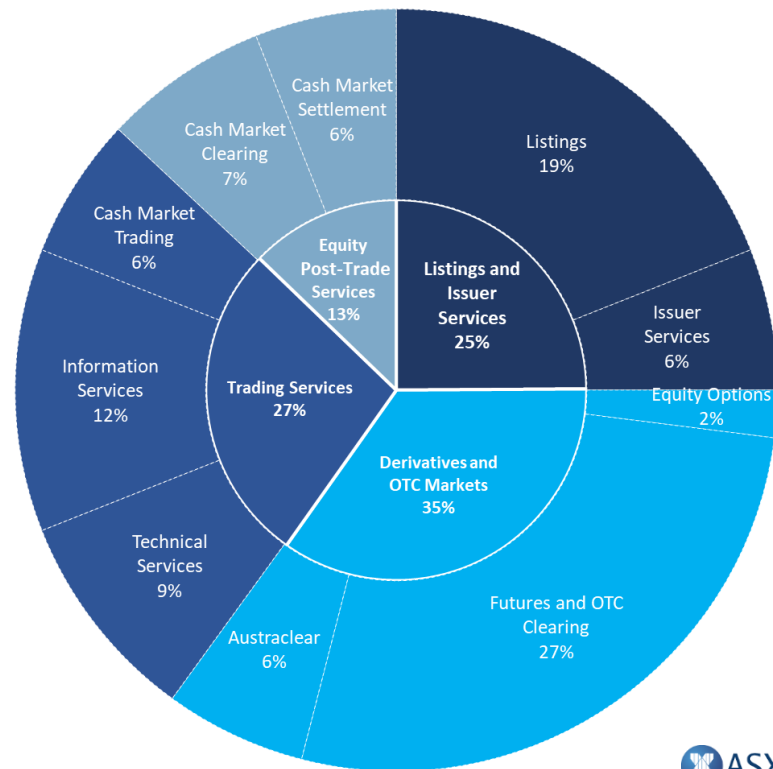
# ASX operating revenue

Up 7.1% with all businesses delivering growth

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	1H20 \$m	2H19 \$m	1H19 \$m	1H20 v 1H19
Listings and Issuer Services	113.9	108.7	111.5	2.2%
Derivatives and OTC Markets	159.4	161.8	146.8	8.6%
Trading Services	125.0	116.1	113.5	10.2%
Equity Post-Trade Services	58.6	53.7	54.7	7.2%
Other	(2.0)	(1.2)	(1.8)	-
<b>Operating revenue</b>	<b>454.9</b>	<b>439.1</b>	<b>424.7</b>	<b>7.1%</b>

1H20 operating revenue contribution by business



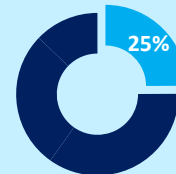
# ASX operating revenue by business

Listings and Issuer Services	1H20	2H19	1H19	1H20 v 1H19
<b>Operating revenue (\$million)</b>	<b>113.9</b>	<b>108.7</b>	<b>111.5</b>	<b>2.2%</b>
Listings	86.8	86.1	85.0	2.1%
Issuer services	27.1	22.6	26.5	2.3%
<b>Key drivers</b>				
New listings (number)	55	39	72	(23.6%)
Market cap of new listings (\$billion)	9.1	5.3	32.1*	(71.7%)
Secondary capital (\$billion)	33.0	18.9	29.7	11.0%

\*1H19 includes Coles demerger (\$17bn)

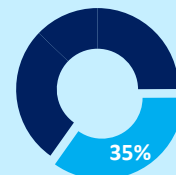
Derivatives and OTC Markets	1H20	2H19	1H19	1H20 v 1H19
<b>Operating revenue (\$million)</b>	<b>159.4</b>	<b>161.8</b>	<b>146.8</b>	<b>8.6%</b>
Equity options	8.9	9.7	10.2	(13.0%)
Futures and OTC	120.9	123.6	109.3	10.7%
Austraclear	29.6	28.5	27.3	8.3%
<b>Key drivers</b>				
Futures volume (million)	86.2	93.4	78.4	9.9%
OTC cleared value (\$billion)	7,059.2	7,674.1	2,036.5	246.6%
Austraclear registry issuance value (spot) (\$billion)	1,894.7	1,839.6	1,784.8	6.2%

## Key highlights



### Listings and Issuer Services

- IPO revenue impacted by fewer new listings
- Strong secondary capital raisings in 1H20 reflecting issuance by the banks
- Growth in exchange-traded products, total market value \$62 billion, up 52% on pcp



### Derivatives and OTC Markets

- Futures volumes up 9.9% on pcp; 30 day interbank cash rate product up 390% on pcp
- Austraclear increase supported by a 6.2% increase in the value of registry issuances on pcp
- Equity options volume impacted by subdued activity

# ASX operating revenue by business (continued)

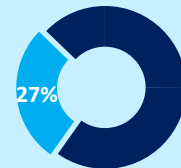
Trading Services	1H20	2H19	1H19	1H20 v 1H19
<b>Operating revenue (\$million)</b>	<b>125.0</b>	<b>116.1</b>	<b>113.5</b>	<b>10.2%</b>
Cash market trading	27.9	25.7	26.0	7.6%
Information services	53.5	49.1	47.2	13.5%
Technical services	43.6	41.3	40.3	8.1%
<b>Key drivers</b>				
ASX on-market average daily value (\$billion)	4.914	4.735	4.548	8.1%
Auctions value (\$billion)	186.7	172.8	161.2	15.8%
Number of ALC cabinets (spot)	324	324	310	4.5%

Equity Post-Trade	1H20	2H19	1H19	1H20 v 1H19
<b>Operating revenue (\$million)</b>	<b>58.6</b>	<b>53.7</b>	<b>54.7</b>	<b>7.2%</b>
Cash market clearing	30.0	27.1	27.3	9.7%
Cash market settlement	28.6	26.6	27.4	4.7%
<b>Key drivers</b>				
On-market value cleared (\$billion)	676.0	618.8	619.8	9.1%
Main settlement messages (million)	10.0	9.5	10.1	(0.4%)
Transfers and conversions (million)	11.7	10.4	10.6	10.2%

## Key highlights

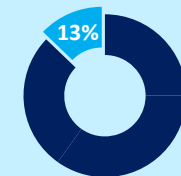
### Trading Services

- Auctions traded value up 15.8% on pcp
- Lit trading market value up 8.2% on pcp
- ALC connections up 7.5% on pcp with new service providers joining the ALC ecosystem



### Equity Post-Trade

- On-market value cleared up 9.1% on pcp, in line with higher traded value
- Growth in settlement primarily associated with transfer and conversion of securities, up 10.2% on pcp



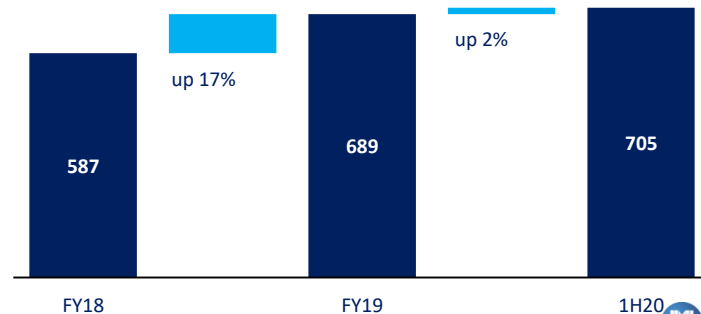
# ASX total expenses

Scheduled investment in initiatives in line with previous expense guidance

	1H20 \$m	2H19 \$m	1H19 \$m	1H20 v 1H19
Staff	72.5	64.5	63.2	(14.6%)
Occupancy	4.7	9.3	8.6	45.1%
Equipment	16.1	15.4	15.3	(5.1%)
Administration	12.7	12.0	10.5	(21.3%)
Variable	4.6	4.0	4.4	(5.8%)
ASIC supervision levy	3.8	4.4	3.2	(19.2%)
<b>Operating expenses</b>	<b>114.4</b>	<b>109.6</b>	<b>105.2</b>	<b>(8.7%)</b>
<b>Depreciation and amortisation</b>	<b>25.4</b>	<b>25.7</b>	<b>22.1</b>	<b>(15.1%)</b>
<b>Total expenses</b>	<b>139.8</b>	<b>135.3</b>	<b>127.3</b>	<b>(9.8%)</b>
<b>FTE (spot)</b>	<b>705</b>	<b>689</b>	<b>644</b>	<b>(9.6%)</b>

- Total expense uplift largely due to the impact of the onboarding of FTE resourcing during FY19 with expense growth slowing as referenced by chart below
- AASB 16 lease standard came into effect 1 July 2019 with applicable lease costs now recognised in depreciation and interest expense
- FY20 total expense guidance at 6-8% range

## Spot FTE movement



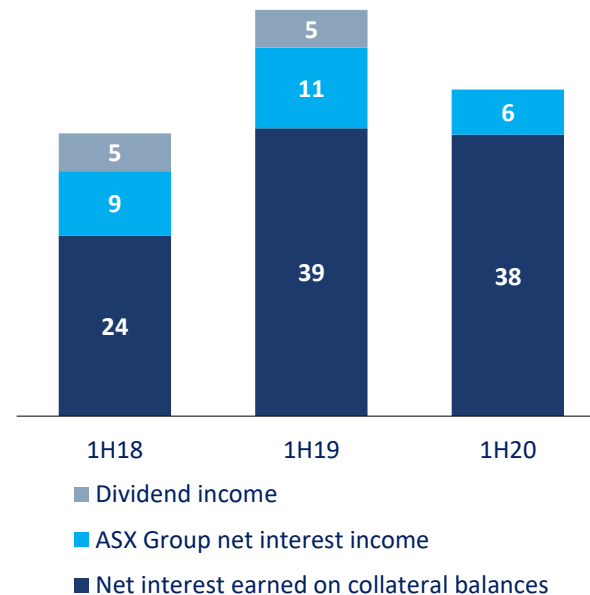
# ASX interest and dividend income

Lower investment earnings due to current interest rate environment

	1H20 \$m	2H19 \$m	1H19 \$m	1H20 v 1H19
Group net interest income	7.7	12.5	10.9	(28.7%)
Lease financing cost	(1.6)	-	-	-
Group net interest income	6.1	12.5	10.9	(43.8%)
Net interest on collateral balances	38.0	36.5	38.9	(2.4%)
<b>Total net interest income</b>	<b>44.1</b>	<b>49.0</b>	<b>49.8</b>	<b>(11.4%)</b>
Dividend income	-	-	5.1	(100%)
<b>Interest and dividend income</b>	<b>44.1</b>	<b>49.0</b>	<b>54.9</b>	<b>(19.7%)</b>

- Group net interest income down 43.8% on pcp due to the drop in the cash rate to 0.75% and the inclusion of lease finance costs under AASB 16 from 1H20
- Net interest earned on collateral balances down 2.4% on pcp due to:
  - Average collateral balances up 24.6% to \$10.1 billion on pcp
  - Investment spread down to 35bps (54bps pcp)
  - Futures client charge decreased from 65bps to 45bps in December 2019
- Dividend income ceased with the sale of IRESS shareholding in 2H19

Interest and dividend income (\$million)



# ASX balance sheet

## Strong balance sheet with strategic investments

	Dec 19 \$m	Jun 19 \$m
Cash and other financial assets	11,893.3	12,270.3
Intangibles (excluding software)	2,326.0	2,326.1
Investments	99.2	76.3
Other assets (including software)	1,592.9	657.6
<b>Total assets</b>	<b>15,911.4</b>	<b>15,330.3</b>
Amounts owing to participants	10,705.3	10,801.0
Other liabilities	1,510.1	612.9
<b>Total liabilities</b>	<b>12,215.4</b>	<b>11,413.9</b>
<b>Total equity</b>	<b>3,696.0</b>	<b>3,916.4</b>
Long-term credit rating from S&P	AA-	AA-

**Cash and other financial assets** reflect participant balances, partially offset by reduction of own funds with payment of special dividend in September 2019

### Investments in adjacencies

- **Sympi**
  - 49% shareholding, \$16.8 million invested to date
- **Digital Asset**
  - 8% shareholding (7% FY19), \$44 million invested to date
- **Yieldbroker**
  - 45% shareholding

### Portfolio capital expenditure

- **Capital expenditure \$43.4 million in 1H20**
  - Ongoing investment in upgrading technology for BAU and growth opportunities, including
    - CHES replacement and related infrastructure, secondary data centre, ASX Trade and corporate actions straight-through processing
- **FY20 capital expenditure guidance is \$75-80 million**

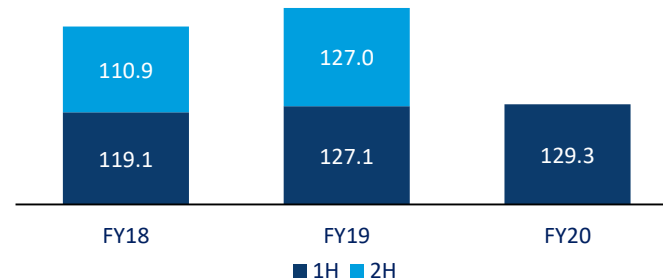
# ASX earnings and dividends per share

Delivering to shareholders, strongest half-year EPS to date

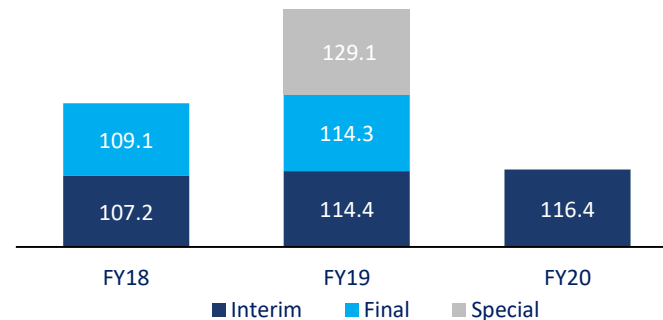
	1H20	2H19	1H19	1H20 v 1H19
Statutory earnings per share (cents)	129.3	127.0	127.1	1.7%
Dividends per share (cents)	116.4	114.3	114.4	1.7%
% of underlying profit paid out	90%	90%	90%	-
Special dividend per share (cents)	-	129.1	-	n/a

- Earnings per share up 1.7% on pcp
- Interim dividend of 116.4 cents per share, up 1.7% on pcp

### Statutory earnings per share (cents)



### Dividends per share (cents)



Dominic Stevens – CEO

Summary and outlook



# Summary and outlook

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- 1H20 resilient shareholder returns highlights the strength of being a diversified, integrated exchange
- Strong momentum in execution of customer driven, technology focused strategy
- First six weeks of the new calendar year have seen continued solid volumes
- Elevated volatility expected to continue given global geopolitical uncertainty
- Strongly focused on the execution of strategic initiatives

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# Q&A

# Appendices

1. Income statement
2. Balance sheet
3. Key financial ratios
4. Transaction and activity levels
5. Free cash flow summary
6. Accounting policy change

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# 1. Income statement

	Pre-AASB 15		AASB 15		
	1H18 \$million	2H18 \$million	1H19 \$million	2H19 \$million	1H20 \$million
<i>Annual listing</i>	42.6	43.2	46.6	47.2	46.0
<i>Initial listing</i>	9.4	9.2	9.6	9.6	9.4
<i>Subsequent raisings</i>	32.6	26.3	25.1	26.1	27.1
<i>Other listing</i>	4.0	4.1	3.7	3.2	4.3
Listings	88.6	82.8	85.0	86.1	86.8
Issuer services	24.9	24.3	26.5	22.6	27.1
<b>Listings and Issuer Services</b>	<b>113.5</b>	<b>107.1</b>	<b>111.5</b>	<b>108.7</b>	<b>113.9</b>
<i>Equity options</i>	10.9	11.0	10.2	9.7	8.9
<i>Futures and OTC clearing</i>	101.6	110.9	109.3	123.6	120.9
<i>Austraclear</i>	25.6	26.4	27.3	28.5	29.6
<b>Derivatives and OTC Markets</b>	<b>138.1</b>	<b>148.3</b>	<b>146.8</b>	<b>161.8</b>	<b>159.4</b>
<i>Cash market trading</i>	22.6	23.1	26.0	25.7	27.9
<i>Information services</i>	44.7	45.4	47.2	49.1	53.5
<i>Technical services</i>	37.2	36.9	40.3	41.3	43.6
<b>Trading Services</b>	<b>104.5</b>	<b>105.4</b>	<b>113.5</b>	<b>116.1</b>	<b>125.0</b>
<i>Cash market clearing</i>	25.9	26.0	27.3	27.1	30.0
<i>Cash market settlement</i>	26.3	26.6	27.4	26.6	28.6
<b>Equity Post-Trade Services</b>	<b>52.2</b>	<b>52.6</b>	<b>54.7</b>	<b>53.7</b>	<b>58.6</b>
Other revenue	0.7	0.3	(1.8)	(1.2)	(2.0)
<b>Operating revenue</b>	<b>409.0</b>	<b>413.7</b>	<b>424.7</b>	<b>439.1</b>	<b>454.9</b>

Operating revenues and operating expenses as per the Group segment reporting

# 1. Income statement

	Pre-AASB 15		AASB 15		
	1H18 \$million	2H18 \$million	1H19 \$million	2H19 \$million	1H20 \$million
Staff	56.5	58.1	63.2	64.5	72.5
Occupancy	8.1	8.3	8.6	9.3	4.7
Equipment	13.8	14.1	15.3	15.4	16.1
Administration	10.4	12.0	10.5	12.0	12.7
Variable	4.0	3.9	4.4	4.0	4.6
ASIC supervision levy	3.4	2.9	3.2	4.4	3.8
<b>Operating expenses</b>	<b>96.2</b>	<b>99.3</b>	<b>105.2</b>	<b>109.6</b>	<b>114.4</b>
<b>EBITDA</b>	<b>312.8</b>	<b>314.4</b>	<b>319.5</b>	<b>329.5</b>	<b>340.5</b>
Depreciation and amortisation	22.4	25.2	22.1	25.7	25.4
<b>Total expenses</b>	<b>118.6</b>	<b>124.5</b>	<b>127.3</b>	<b>135.3</b>	<b>139.8</b>
<b>EBIT</b>	<b>290.4</b>	<b>289.2</b>	<b>297.4</b>	<b>303.8</b>	<b>315.1</b>
Net interest income	8.7	9.5	10.9	12.5	6.1
Net interest on participants' balances	24.4	25.9	38.9	36.5	38.0
Dividend revenue	5.1	9.1	5.1	-	-
<b>Interest and dividend income</b>	<b>38.2</b>	<b>44.5</b>	<b>54.9</b>	<b>49.0</b>	<b>44.1</b>
<b>Underlying profit before tax</b>	<b>328.6</b>	<b>333.7</b>	<b>352.3</b>	<b>352.8</b>	<b>359.2</b>
Income tax expense	(98.1)	(98.9)	(106.2)	(106.9)	(108.8)
<b>Underlying profit after tax</b>	<b>230.5</b>	<b>234.8</b>	<b>246.1</b>	<b>245.9</b>	<b>250.4</b>
Significant items (net of tax) <sup>1</sup>	-	(20.2)	-	-	-
<b>Statutory profit after tax</b>	<b>230.5</b>	<b>214.6</b>	<b>246.1</b>	<b>245.9</b>	<b>250.4</b>

Operating revenues and operating expenses as per the Group segment reporting

<sup>1</sup> 2H18 significant items relates to impairment of Yieldbroker

## 2. Balance sheet

	Pre-AASB 15		AASB 15		
	31 Dec 17 \$million	30 Jun 18 \$million	31 Dec 18 \$million	30 Jun 19 \$million	31 Dec 19 \$million
<b>Assets</b>					
Cash and other financial assets	8,636.2	9,570.1	8,688.3	12,270.3	11,893.3
Intangibles (excluding software)	2,326.5	2,326.3	2,326.2	2,326.1	2,326.0
Software	108.5	111.7	117.7	132.2	152.2
Investments	471.2	469.5	445.4	76.3	99.2
Other assets <sup>1</sup>	386.2	445.4	662.6	525.4	1,440.7
<b>Total assets</b>	<b>11,928.6</b>	<b>12,923.0</b>	<b>12,240.2</b>	<b>15,330.3</b>	<b>15,911.4</b>
<b>Liabilities</b>					
Amounts owing to participants (including funded commitments)	7,251.7	8,495.8	7,548.2	10,801.0	10,705.3
Other liabilities <sup>1</sup>	751.7	481.7	813.2	612.9	1,510.1
<b>Total liabilities</b>	<b>8,003.4</b>	<b>8,977.5</b>	<b>8,361.4</b>	<b>11,413.9</b>	<b>12,215.4</b>
<b>Equity</b>					
Capital	3,027.2	3,027.2	3,027.2	3,027.2	3,027.2
Retained earnings	659.6	666.7	616.7	801.7	580.9
Reserves	238.4	251.6	234.9	87.5	87.9
<b>Total equity</b>	<b>3,925.2</b>	<b>3,945.5</b>	<b>3,878.8</b>	<b>3,916.4</b>	<b>3,696.0</b>

<sup>1</sup> Balance due to material movement on variation and initial margin requirements on Futures

### 3. Key financial ratios

	Pre-AASB 15		AASB 15		
	1H18	2H18	1H19	2H19	1H20
Basic earnings per share (EPS) <sup>1</sup>	119.1c	110.9c	127.1c	127.0c	129.3c
Diluted EPS <sup>1</sup>	119.1c	110.9c	127.1c	127.0c	129.3c
Underlying EPS <sup>2</sup>	119.1c	121.3c	127.1c	127.0c	129.3c
Dividend per share – interim	107.2c	-	114.4c	-	116.4c
Dividend per share – final	-	109.1c	-	114.3c	-
Special Dividend	-	-	-	129.1c	-
Statutory return on equity <sup>3</sup>	12.0%	11.1%	12.9%	12.8%	13.6%
Underlying return on equity <sup>4</sup>	12.0%	12.1%	12.9%	12.8%	13.6%
EBITDA / Operating revenue <sup>5,6</sup>	76.5%	76.0%	75.2%	75.1%	74.9%
EBIT / Operating revenue <sup>5,6</sup>	71.0%	69.9%	70.0%	69.2%	69.3%
Total expenses (including depreciation and amortisation) / Operating revenue <sup>5,6</sup>	29.0%	30.1%	30.0%	30.8%	30.7%
Capital expenditure (\$m)	\$13.4	\$40.7	\$27.6	\$47.5	\$43.4
Net tangible asset backing per share	\$7.70	\$7.79	\$7.41	\$7.53	\$6.29
Net asset backing per share	\$20.28	\$20.38	\$20.04	\$20.23	\$19.09
Shareholders' equity as a % of total assets (excluding participants' balances)	83.9%	89.1%	82.7%	86.5%	71.0%
Shareholders' equity as a % of total assets (including participants' balances)	32.9%	30.5%	31.7%	25.5%	23.2%
Share price at end of period	\$54.86	\$64.39	\$59.94	\$82.37	\$78.41
Ordinary shares on issue at end of period	193,595,162	193,595,162	193,595,162	193,595,162	193,595,162
Weighted average number of ordinary shares (excluding treasury shares) <sup>7</sup>	193,482,099	193,533,243	193,566,439	193,586,097	193,587,426
Market value of ordinary shares on issue at end of period (\$m)	\$10,621	\$12,466	\$11,604	\$15,946	\$15,180
Market to book ratio at end of period	2.71	3.16	2.99	4.07	4.11
Full-time equivalent permanent staff – number at period end	552	587	644	689	705
Full-time equivalent permanent staff – average during the period	555	566	632	668	701

Operating revenues and operating expenses as per the Group segment reporting

1. Based on statutory net profit after tax (NPAT) including significant items and weighted average number of shares
2. Based on underlying NPAT excluding significant items and weighted average number of shares
3. Based on statutory NPAT including significant items
4. Based on underlying NPAT excluding significant items

5. Operating revenue excludes interest and dividend revenue (underlying)

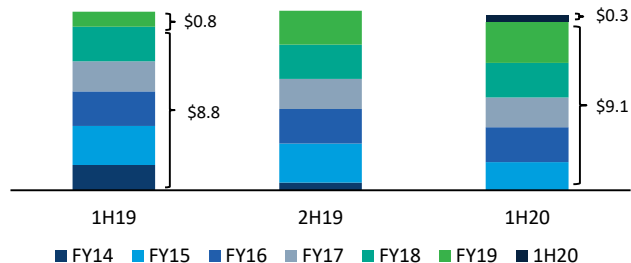
6. EBITDA – earnings before interest, tax, depreciation and amortisation; EBIT – earnings before interest and tax. These metrics along with total expenses exclude significant items

7. Weighted average number of ordinary shares used to calculate EPS

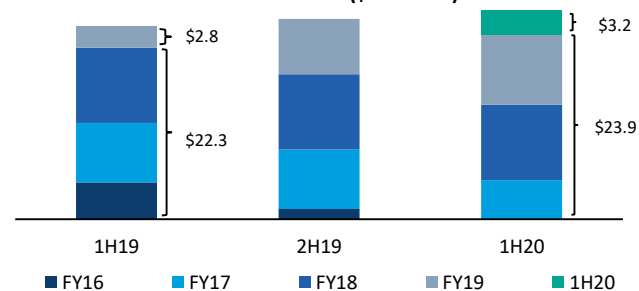
## 4.1 Listings and Issuer Services

	1H18	2H18	1H19	2H19	1H20
Total domestic market capitalisation (\$bn) – period end	\$1,932	\$1,957	\$1,790	\$2,069	\$2,118
Total number of listed entities (includes all stapled entities) – period end	2,275	2,285	2,284	2,269	2,240
Number of new listings	77	60	72	39	55
Average annual listing fee	\$18,734	\$18,917	\$20,409	\$20,812	\$20,552
Initial capital raised (\$m)	\$10,973	\$14,720	\$32,082	\$5,320	\$9,071
Secondary capital raised (\$m)	\$23,850	\$19,172	\$23,004	\$15,826	\$30,280
Other secondary capital raised including scrip-for-scrip (\$m)	\$10,004	\$2,994	\$6,698	\$3,085	\$2,682
<b>Total capital raised (including other) (\$m)</b>	<b>\$44,827</b>	<b>\$36,886</b>	<b>\$61,784</b>	<b>\$24,231</b>	<b>\$42,033</b>
Number of new warrant series quoted	728	1,239	994	855	1,058
Total warrant series quoted	2,822	2,976	3,040	2,789	2,967

Initial listing fee revenue contribution per year under AASB 15 (\$ millions)



Secondary listing fee revenue contribution per year under AASB 15 (\$ millions)

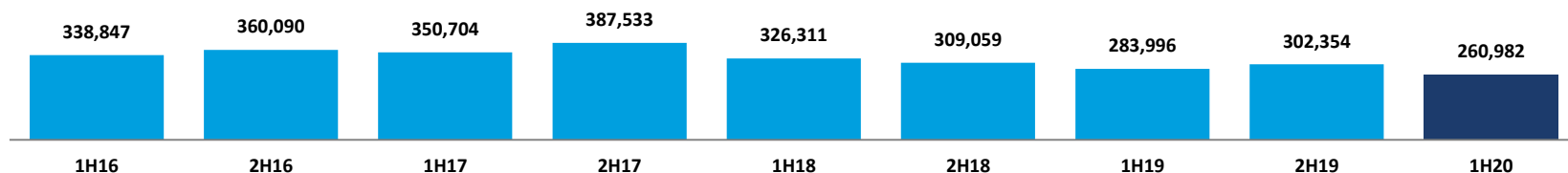




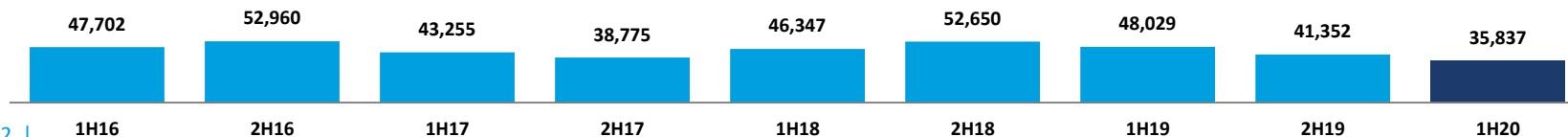
## 4.2 Derivatives and OTC Markets: Equity Options

	1H18	2H18	1H19	2H19	1H20
Trading days	128	124	129	123	130
Single stock options ('000)	41,768	38,323	36,636	37,189	33,928
Index options and futures ('000)	5,932	6,529	6,196	5,086	4,659
Average daily single stock options contracts	326,311	309,059	283,996	302,354	260,982
Average daily index options and futures contracts	46,347	52,650	48,029	41,352	35,837
Average fee per derivatives contract	\$0.23	\$0.24	\$0.24	\$0.23	\$0.23

Single stock options average daily contracts



Index options and futures average daily contracts



## 4.2 Derivatives and OTC Markets: Futures and OTC

	1H18	2H18	1H19	2H19	1H20
Trading days	128	127	129	126	130
<b>Total contracts traded – futures ('000)</b>					
ASX SPI 200	6,253	7,529	7,974	8,020	8,491
90 day bank bills	15,456	17,770	15,083	19,615	13,884
3 year bonds	28,127	27,914	27,284	33,204	30,359
10 year bonds	21,920	25,809	25,441	26,442	28,084
20 year bonds <sup>1</sup>	195	188	135	121	108
30 day interbank cash rate	992	960	646	3,622	3,167
Agricultural	48	36	53	40	45
Electricity	181	190	227	186	213
Other <sup>2</sup>	57	92	70	42	69
NZD 90 day bank bills	746	951	1,006	1,323	1,137
<b>Total futures</b>	<b>73,975</b>	<b>81,439</b>	<b>77,919</b>	<b>92,615</b>	<b>85,557</b>

<sup>1</sup> Introduced 21 September 2015

<sup>2</sup> Other includes VIX and sector futures

## 4.2 Derivatives and OTC Markets: Futures and OTC (continued)

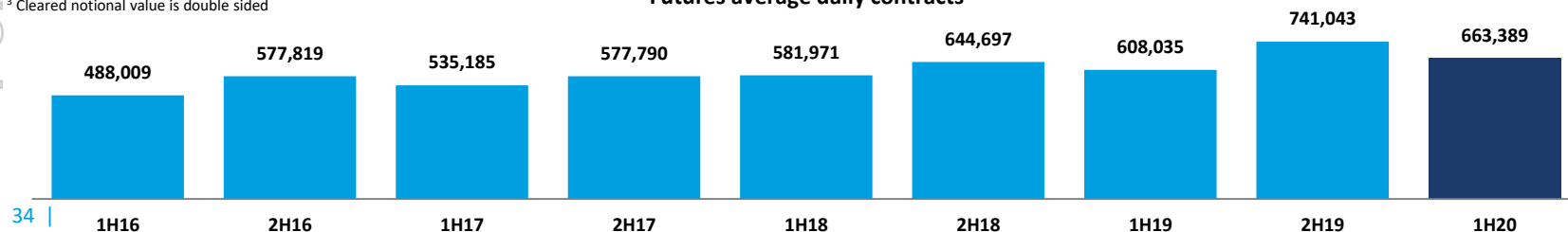
	1H18	2H18	1H19	2H19	1H20
<b>Total contracts traded – options on futures ('000)</b>					
ASX SPI 200	77	63	66	32	17
3 year bonds	51	34	91	136	153
Overnight 3 year bonds	158	156	131	148	181
Intra-day 3 year bonds	207	137	204	406	303
10 year bonds <sup>1</sup>	9	27	2	2	1
Electricity	15	21	24	32	29
Other <sup>2</sup>	0	0	0	0	0
<b>Total options on futures</b>	<b>517</b>	<b>438</b>	<b>518</b>	<b>756</b>	<b>684</b>
<b>Total futures and options on futures contract volume ('000)</b>	<b>74,492</b>	<b>81,877</b>	<b>78,437</b>	<b>93,371</b>	<b>86,241</b>
Daily average contracts – futures and options	581,971	644,697	608,035	741,043	663,389
Average fee per contract – futures and options	\$1.36	\$1.35	\$1.39	\$1.32	\$1.40
<b>OTC markets</b>					
Total notional cleared value (\$bn) <sup>3</sup>	\$3,137.550	\$3,176.772	\$2,036.538	\$7,674.078	\$7,059.216
Open notional cleared value (period end \$bn) <sup>3</sup>	\$3,473.810	\$3,773.703	\$3,185.268	\$7,207.582	\$5,829.372

<sup>1</sup> 10 year bonds includes overnight and intraday

<sup>2</sup> Other includes options over 90 day bank bills and agricultural

<sup>3</sup> Cleared notional value is double sided

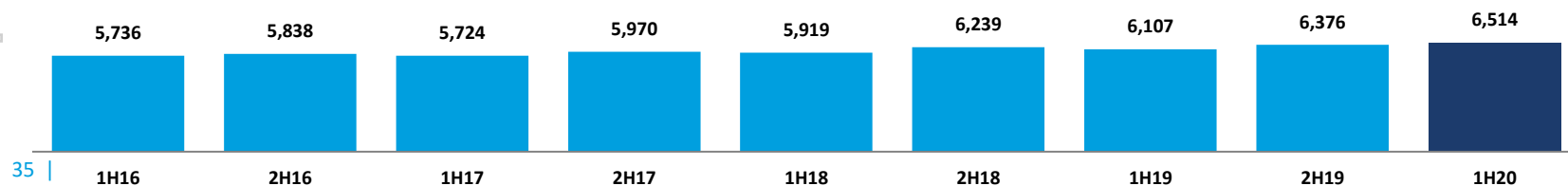
**Futures average daily contracts**



## 4.2 Derivatives and OTC Markets: Austraclear

	1H18	2H18	1H19	2H19	1H20
Settlement days	128	124	129	124	130
<b>Transactions ('000)</b>					
Cash transfers	298	307	311	299	320
Fixed interest securities	383	387	397	415	457
Discount securities	72	74	75	72	66
Foreign exchange	5	4	5	4	4
Other	0	1	0	0	0
<b>Total transactions</b>	<b>758</b>	<b>773</b>	<b>788</b>	<b>790</b>	<b>847</b>
Average daily settlement volume	5,919	6,239	6,107	6,376	6,514
Securities holdings (average \$bn)	\$1,887.4	\$1,929.6	\$1,974.4	\$2,032.9	\$2,078.0
Securities holdings (period end \$bn)	\$1,902.5	\$1,948.8	\$1,988.2	\$2,054.5	\$2,097.0
Average settlement and depository fee (including portfolio holdings) per transaction (excludes registry services revenue)	\$16.37	\$16.88	\$16.66	\$17.11	\$16.37
ASX Collateral (average \$bn)	\$18.2	\$21.8	\$23.6	\$20.2	\$23.4
ASX Collateral (period end \$bn)	\$20.6	\$23.5	\$20.5	\$22.4	\$20.1

Austraclear average daily settlement volume

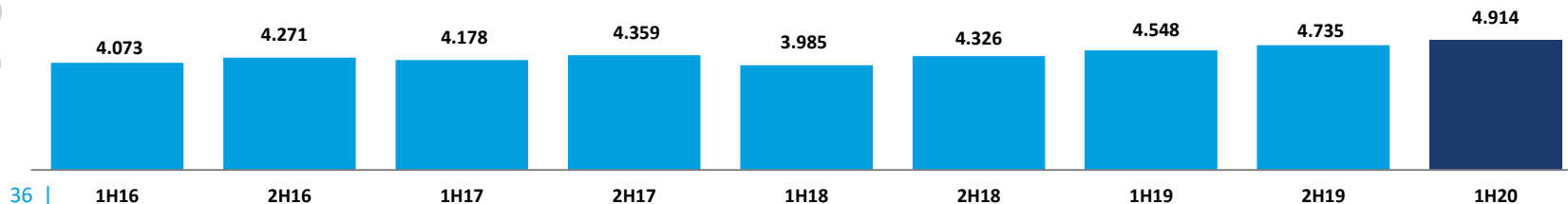


## 4.3 Trading Services – Cash Market Trading

	1H18	2H18	1H19	2H19	1H20
Trading days	128	124	129	123	130
Total cash market trades ('000)	144,880	147,648	171,273	188,712	214,880
Average daily cash market trades	1,131,875	1,190,711	1,327,701	1,534,241	1,652,922
Continuous trading value (\$bn)	\$334.219	\$343.674	\$368.321	\$353.790	\$398.583
Auctions value (\$bn)	\$122.471	\$139.655	\$161.193	\$172.786	\$186.701
Centre Point value (\$bn)	\$53.437	\$53.044	\$57.168	\$55.862	\$53.471
<b>Total cash on-market value (\$bn)</b>	<b>\$510.127</b>	<b>\$536.373</b>	<b>\$586.682</b>	<b>\$582.438</b>	<b>\$638.755</b>
Trade reporting value (\$bn)	\$89.346	\$95.970	\$104.162	\$107.406	\$135.071
<b>Total cash market value (\$bn)</b>	<b>\$599.473</b>	<b>\$632.343</b>	<b>\$690.844</b>	<b>\$689.844</b>	<b>\$773.826</b>
Average daily on-market value (\$bn)	\$3.985	\$4.326	\$4.548	\$4.735	\$4.914
Average daily value (including trade reporting) (\$bn)	\$4.683	\$5.100	\$5.355	\$5.608	\$5.953
Average trade size (\$)	\$4,138	\$4,283	\$4,034	\$3,656	\$3,601
Average trading fee per dollar of value (bps)	0.37	0.37	0.37	0.37	0.36
Velocity (total value / average market capitalisation) <sup>1</sup>	82%	84%	89%	85%	89%
Number of dominant settlement messages (m)	8.8	9.1	10.1	9.5	10.0

<sup>1</sup> Total value transacted on all venues

Average daily on-market value (\$bn)



## 4.3 Trading Services – Technical Services

	1H18	2H18	1H19	2H19	1H20
<b>Technical services (number at period end)</b>					
<b>ASX Distribution Platform</b>					
Australian Liquidity Centre cabinets	298	301	310	324	324
<b>Connection Services</b>					
ASX Net connections	115	112	108	104	101
ASX Net service feeds	444	444	454	447	447
Australian Liquidity Centre service connections	934	984	1,030	1,068	1,081
<b>ASX Service Access</b>					
ASX ITCH access	45	49	48	54	56
Futures ITCH access	75	80	74	73	74
<b>ASX Market Access</b>					
ASX sessions	945	922	888	886	831
ASX gateways	162	160	155	155	160
ASX liquidity cross-connections	61	64	58	57	56
ASX OUCH access	73	82	82	75	95
Futures gateways	205	251	281	329	234
Futures liquidity cross-connections	363	381	467	482	428

## 4.4 CCP participant collateral balances

	1H18 \$million	2H18 \$million	1H19 \$million	2H19 \$million	1H20 \$million
<b>Balances at period end</b>					
ASX Clear – initial margins	441.9	567.3	654.8	843.6	600.8
ASX Clear (Futures) – initial margins House <sup>1</sup>	1,822.5	1,920.6	1,743.3	2,369.7	2,166.7
ASX Clear (Futures) – initial margins Client <sup>1</sup>	3,730.5	4,182.7	3,760.8	5,548.9	6,355.7
ASX Clear (Futures) – additional <sup>2</sup> and excess	1,056.8	1,625.2	1,189.3	1,838.8	1,382.1
Commitments	200.0	200.0	200.0	200.0	200.0
<b>Total margins held on balance sheet</b>	<b>7,251.7</b>	<b>8,495.8</b>	<b>7,548.2</b>	<b>10,801.0</b>	<b>10,705.3</b>
Average daily margin balance during the period	7,046.9	6,784.6	8,139.4	8,247.1	10,137.7
ASX Clear – guarantees and equity collateral held off balance sheet	3,438.6	3,333.2	3,044.2	3,351.8	3,376.7

<sup>1</sup> Includes margins held for OTC Clearing

<sup>2</sup> Increase in additional margins resulting from larger positions and enhanced capital management and margining methodology

## 5. ASX Group own cash movement

	1H18 \$million	2H18 \$million	1H19 \$million	2H19 \$million	1H20 \$million
<b>ASX Group cash</b>					
Total cash and short-term investments	8,336.2	9,565.3	8,688.3	12,265.0	11,893.3
Less participants' margins and commitments	(7,251.7)	(8,495.8)	(7,548.2)	(10,801.0)	(10,705.3)
<b>ASX Group own cash reserves</b>	<b>1,084.5</b>	<b>1,069.5</b>	<b>1,140.1</b>	<b>1,464.0</b>	<b>1,188.0</b>
<b>Opening ASX Group own cash reserves</b>	<b>1,000.9</b>	<b>1,084.5</b>	<b>1,069.5</b>	<b>1,140.1</b>	<b>1,464.0</b>
Add:					
Cash generated from business activities	301.7	227.4	322.4	212.7	262.9
Cash from sale of equity instruments	-	-	-	380.7	-
Less:					
Cash used for payment of dividends	(193.1)	(207.5)	(211.2)	(221.5)	(471.2)
Cash used for other non-current assets	(20.4)	(27.9)	(39.1)	(45.5)	(47.0)
Payments for investments	(4.6)	(7.0)	(1.5)	(2.5)	(20.7)
<b>Closing ASX Group own cash reserves</b>	<b>1,084.5</b>	<b>1,069.5</b>	<b>1,140.1</b>	<b>1,464.0</b>	<b>1,188.0</b>
<b>Less specific cash allocations</b>	<b>(768.3)</b>	<b>(843.3)</b>	<b>(938.0)</b>	<b>(1,094.4)</b>	<b>(1,094.4)</b>
<b>Available free cash</b>	<b>316.2</b>	<b>226.2</b>	<b>202.1</b>	<b>369.6</b>	<b>93.6</b>

<sup>1</sup> Following the reclassification of 'Cash and cash equivalent' items on the balance sheet in FY19, the amount of 'Cash generated from business activities' above will not agree to the 'net cash flow from operating activities' shown in the Consolidated statement of cash flows. The former consists of cash and other short-term money market investment while the latter only relates to cash



## 6. AASB 16 Leases

- Under the new accounting standard AASB 16, all applicable leases are treated as finance leases. The Group has recognised right-of-use assets and lease liabilities for all its applicable leases. Applicable leases includes those greater than 12 months.
- ASX adopted AASB 16 on 1 July 2019 using the modified retrospective approach therefore comparative period balances (Balance sheet and Statement of comprehensive income) have not been restated.
- All rent expense for applicable AASB 16 leases will no longer be recognised in occupancy but will be recognised in depreciation and interest. Depreciation is allocated over the life of the asset and interest expense reflects the finance costs of the repayment of the liability. All other occupancy costs will remain within occupancy.
- In the current period, \$4.7m of depreciation and \$1.6m of interest expense has been recognised in relation to rent expense for applicable leases under AASB 16.

Refer to the table for a comparison of occupancy in 1H19 to 1H20 under AASB 16.

	1H20 \$m	1H19 \$m
Occupancy	4.7	8.6
<b>EBITDA</b>	<b>340.5</b>	<b>319.5</b>
Depreciation and amortisation	25.4	22.1
<b>Total Expenses</b>	<b>139.8</b>	<b>127.3</b>
<b>EBIT</b>	<b>315.1</b>	<b>297.4</b>
Interest and dividend income	44.1	54.9
<b>Profit after tax</b>	<b>250.4</b>	<b>246.1</b>

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